

MEMORANDUM

Office of City Manager



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To: City Council

From: Cynthia Maxwell, Principal Analyst *CM*

Subject: Library JPA Ballot Measure

Date: March 9, 2005

Attached is background information on the Library JPA ballot measures:

- Draft resolution
- Draft report to Board of Supervisors regarding the ballot measures
- Minutes of the January 27, 2005 Library JPA

RESOLUTION NO. ____

A RESOLUTION OF THE COUNCIL OF THE CITY OF MILPITAS IN SUPPORT OF LOCAL LIBRARIES

WHEREAS, the pending expiration of the current parcel tax will result in significant reductions in revenues for our local public libraries; and

WHEREAS, current revenues have been inadequate and forced significant reductions in library hours and services; and

WHEREAS, parcel tax revenues can provide a stable, predictable source of local funding to maintain and restore essential library services that students, seniors and other members of our community rely on; and

WHEREAS, parcel tax revenues allow local voters to make investments in their community libraries and the education of our children; and

WHEREAS, maintaining access to our neighborhood libraries for students is essential for maintaining quality education in our community; and

WHEREAS, parcel tax revenues can be spent according to local priorities and all funds are returned to the library that serves the community from which it originated; and

WHEREAS, the City of Milpitas supports local control; and

WHEREAS, the Santa Clara County Library has placed new two parcel tax measures on the May 3, 2005 ballot for consideration by their local voters.

NOW, THEREFORE, BE IT RESOLVED that the Milpitas City Council expresses its support for these local parcel tax measures (Measures A and B) and encourages all citizens concerned with lack of adequate financial resources for libraries to vote yes.

PASSED AND ADOPTED this 15TH day of March 2005, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Gail Blalock, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Steven T. Mattas, City Attorney

SUBJECT: Adopt resolution in support of Measure A and Measure B for Santa Clara County Library JPA.

RECOMMENDATION ACTION

Adopt resolution supporting Santa Clara County Library JPA and their placement of Measure A and Measure B on the May 3, 2005 Special Election ballot.

FISCAL IMPLICATIONS

There is no fiscal impact to the County General Fund as a result of the action.

REASONS FOR RECOMMENDATION

Adoption of the resolution would demonstrate that the Board of Supervisors supports life-long learning and literacy.

BACKGROUND

The Santa Clara County Library serves nine cities and the unincorporated area of the County through nine community libraries and two bookmobiles. In 1994, the County Board of Supervisors established the Santa Clara County Library Joint Powers Authority (JPA), formed a County Service Area and put a benefit assessment measure on the ballot that was subsequently supported by the voters. In 2005, the Library JPA voted to form a Community Facilities District No. 2005-1 to replace the County Service Area. In order to maintain the same high quality of library service in each community it will be necessary to replace the benefit assessment.

The current benefit assessment raises approximately \$5.4 million annually and covers 20% of all costs. All money raised from a city is returned to the local library for staff costs and library materials. The benefit assessment expires on June 30, 2005. A replacement tax must be in place for the 2005-2006 fiscal year. The election date is May 3, 2005. The current annual assessment rate is \$33.66 for a single family home. Measure A: the new rate would be \$33.66 for a single family home for a period of 10 years. Measure B: an additional tax of \$12 per year for a period of 10 years.

The impact of assessment revenue loss is a 20% reduction in revenue for staff and book purchases would equate to at least the same reduction in operating hours. For example a library open five days per week may close one of those days. The JPA already cut Monday library operations in October 2004.

Library-wide, staff would be reduced by at least 40 full-time equivalent positions or 60-75 employees. Since many positions are less than full-time, the number of people losing their jobs would be greater.

The amount available for purchase of library materials would drop by at least \$500,000 and would impact the collection available in every library.

Since library use and demand for service would not drop by a corresponding reduction in open hours, the impact on the public would be seen immediately in closed doors, longer lines waiting for service when open, crowding and unavailable materials.

CONSEQUENCES OF NEGATIVE ACTION

Failure to adopt this resolution will negatively affect the attitude of voters in the nine library communities and the unincorporated area of the County.

SANTA CLARA COUNTY LIBRARY

14600 WINCHESTER BOULEVARD • LOS GATOS, CALIFORNIA 95032 • 408.293.2326
ADMINISTRATIVE OFFICES



JPA 01
03/03/05

JOINT POWERS AUTHORITY MINUTES OF REGULAR BOARD MEETING AND PUBLIC HEARING Thursday, January 27, 2005 Library Administration Conference Room

In accordance with the Ralph M. Brown Act Open Meeting Laws this agenda was posted at the County Library Administrative Offices located at 14600 Winchester Blvd., Los Gatos, CA 95032 on January 21, 2005.

Members Present:

Don Gage, Supervisor, Dist. 1	Jean Mordo, Los Altos Hills
Dan Furtado, Campbell	Debbie Giordano, Milpitas
Richard Lowenthal, Cupertino	Barbara Nesbet, Monte Sereno
Bob Dillon, Gilroy	Steve Tate, Morgan Hill
Curtis Cole, Los Altos	Norman Kline, Saratoga

Members Absent:

Liz Kniss, Supervisor Dist.5

Staff Present:

Melinda Cervantes, County Librarian	Kathy Berry, Deputy County Counsel
Sarah Flowers, Deputy County Librarian	Steve Casaleggio, Special Counsel
Gay Strand, Administrative Services Manager	Cynthia Rios Garcia, Secretary

Past Chair Richard Lowenthal presented the gavel to Chair Don Gage.

Chair Gage welcomed two new Board members Debbie Giordano, Councilmember, City of Milpitas and Jean Mordo, Councilmember, Town of Los Altos Hills.

PRESENTATIONS

Chair Gage presented Certificates of Appreciation to:

- 1) Richard Lowenthal for serving as Chairperson of the Joint Powers Authority Board for 2004;
- 2) Dan Furtado for serving as Chairperson of the Joint Powers Authority Board for 2003;
- 3) Emily Cheng for serving as Board member of the Joint Powers Authority Board from 2001 through 2004 and,
- 4) Patricia Dixon for serving as Board member of the Joint Powers Authority Board from 2003 through 2004.

CALL TO ORDER/ROLL CALL

Chair Gage called the meeting to order at 1:30 p.m., with a quorum present. There were no deletions, deferrals or corrections to the agenda.

ORAL COMMUNICATION

None.

SANTA CLARA COUNTY LIBRARY

www.santaclaracountylib.org

Alum Rock Campbell Cupertino Gilroy Los Altos Los Altos Hills Milpitas Monte Sereno Morgan Hill Saratoga

CONSENT CALENDAR

ACTION

- *1. Approve minutes from the December 16, 2004 JPA Board meeting.
- *2. Accept gifts to the Santa Clara County Libraries:
 - a) Cash donation of \$25,172.98 to the Los Altos Library,
 - b) Cash donation of \$4,000 to the Morgan Hill Library.

Motion to approve Consent Calendar items #1-2 was moved by (Nesbet), and seconded by (Tate). Board member Giordano abstained. The motion passed.

NEW BUSINESS

ACTION

- 3. Consider Adoption of Resolution of Formation of Community Facilities District No. 2005-1:
 - a) Open Public Hearing,
 - b) Comments from the Public,
 - c) Close Public Hearing.

Staff Report: Melinda Cervantes, County Librarian. Staff was directed to proceed with planning for placing a measure on the Ballot for May 3, 2005. The JPA Board took action at their meeting on December 16, 2004 to allow a Public Hearing regarding the proposal to place two measures on the ballot. The first measure is a parcel tax in the amount of \$33.66 for a single family home; the second measure is for a \$14.00 increase for a ten year term with a COLA.

Election Committee Report: Richard Lowenthal, Chair. The Election Committee reviewed the two measures with the consultant at their meeting on January 20, 2005 and felt that the COLA was viewed negatively and recommends that the COLA be eliminated for both Measures A and B with a ten year term, and reducing Measure B's \$14.00 tax to \$12.00. The public was encouraged to provide input for the ballot language.

Ms. Cervantes provided background information on the benefit assessment. Ten years ago the State took away property tax revenue from local governments and special districts including libraries to meet their obligation to fund schools. The Library lost 44% of its operating budget which resulted in layoffs and a reduction in library hours and in the collection. The County Board of Supervisors went before the voters in 1994 with a mechanism to provide funding for the Library. The voters approved the benefit assessment which accounts for 20% of today's operating budget. The benefit assessment will sunset on June 30, 2005. To this day the Library continues to send approximately \$10.7 million annually to the State due to the ERAF take away.

Next, Kathy Berry, Deputy County Counsel, explained that since the passage of Proposition 218 in 1996 the benefit assessment can no longer be used to finance library services. The process to create a Community Facilities District and a method to levy a tax to continue funding for library services could only be done by a special tax. The special tax requires a two-third majority vote. The two resolutions before the Board are to move forward with placing two measures on the May 3, 2005 mail ballot.

Chair Gage requested that any property owners and registered voters who wished to file written protest regarding the formation of the District and the levying of a tax to do so with the Clerk of the Board before the start of the Public Hearing.

Aaron Katz, property owner filed written protest with the Clerk of the Board.

Next, Chair Gage opened the Public Hearing and invited the public to speak on the Formation of the Community Facilities District. The following comments were received from:

- a. Kathy Stakey, Cupertino resident commented that the passage of the two measures is essential to keep libraries open and to maintain the property values of real estate located in the Library District. On a visit to the library she noticed the library was full with young children, parents, school class visits, seniors, and people from different cultures, thereby being utilized by everyone. She urged the Board to move forward with adopting the Resolution of Formation of Community Facilities District.
- b. Aaron Katz, resident, property owner and registered voter in the District, wanted to make sure that the Board members received a copy of his written protest and asked Board members to review it prior to voting. At the time of Mr. Katz comments there were approximately 35 people in the audience. He opposed the Board adopting the Resolution of Formation of the CFD to use it to tax property owners. He wanted to know why property owners were not sent written notice of the public hearing and why the public notice was published in the San Jose Post Record, a periodical that is mostly read by lawyers. He does support libraries and wants to continue paying for them but is against the fact that the entire community doesn't pay the tax.. He further commented that the electorate did not approve Measure B last year. District property owners should be able to vote and asked the Board to change the voting scheme to allow all property owners to vote.

Chair Gage referred Mr. Katz's question to Counsel about published notice in the San Jose Post Record.

Kathy Berry, County Counsel, stated that the Community Facilities District statute contains an option to provide published notice or a mailed notice. The mailed notice is very expensive; therefore, a published notice was done. Publishing notice in the San Jose Post Record satisfied the requirement of a paper of general circulation. If there is an objection to the vehicle used one needs to speak to their legislature to change the law.

- c. Dennise Julia, Librarian at the Gilroy Library, long-time Cupertino resident, and new Morgan Hill resident, spoke to the issue of property owners not approving Measure B. Many people were not clear what Measure B was asking for, had they understood it they would have voted for it and are preparing to vote for the two measures this time.

With no further comments Chair Gage closed the Public Hearing.

Several Board members were concerned about the costs for the election approximately \$2.2 million but were not necessarily against the Measures. Other Board members commented that in the long-run we would be losing millions every year up to \$60 million in ten years and that the voters should be given the opportunity to decide if they desire to finance library services.

A question and answer period took place amongst the Board members and after considering all the information presented it was the consensus of the Board to offer the following motion:

Motion to adopt Resolution of Formation of Community Facilities District No.2005-1, with a modification eliminating a COLA and reducing the Measure B amount from \$14 to \$12 moved by (Tate) and seconded by (Dillon). The motion passed unanimously by Roll Call vote:

AYES: Chair Don Gage, Board members Dan Furtado, Richard Lowenthal, Bob Dillon, Curtis Cole, Jean Mordo, Debbie Giordano, Barbara Nesbet, Steve Tate and Norman Kline

NOES: None

ABSENT: Board member Liz Kniss

4. Consider Adoption of Resolution Calling Special Election in the Communities Facilities District No. 2005-2 on May 3, 2005, including ballot measures language.

Staff Report. Melinda Cervantes, County Librarian. The Exhibit A in the packet includes two sample ballot statements which include amounts for a COLA. Since the mailing of the packet, the ballot language has been revised. There are specific changes that needed to be made in the paragraph including”appropriations limit of [\$6.5 million]” should be “\$5,980,000” to reflect action that was taken by the Board to eliminate the COLA and reduce the special tax from \$14 to \$12. Several lines down”additional special tax of [\$14]” should be \$12. And”appropriations limit of [\$2,487,100]” should be “\$2,131,900”. An additional statement was added to the Resolution at the end of item #4. Ballot Materials. [The Chair of the Board, County Librarian, or their designees, are hereby authorized to execute any document and to perform all acts necessary to place the parcel tax measure on the ballot.]

Next, Charles Heath of Tramutola presented the two ballot measure statements that will be presented to the voters: Measure A, a continuation of what they are currently paying in order to maintain current services and Measure B, a modest increase of \$12 per year which is to restore what has recently been cut.

The Board discussed at length the wording on the two ballot measure statements and made additional recommendations for each summary.

Next, Chair Gage invited the public to speak to the Resolution Calling Special Election. The following comments were received from:

- a. Patrick Rogers, President of the Cupertino Library Foundation. At the Foundation’s Board meeting held on January 26, 2005, the Board voted unanimously to appropriate \$5,000 for the Library Campaign. The ballot measures summary that was reviewed at their Board meeting was confusing and he asked the Board to re-word the ballot language for clarity.
- b. Barbara Rogers, Cupertino resident, congratulated Chair Gage for his appointment as Chair. Ms. Rogers agrees with her husband Patrick Rogers but asked the Board to consider putting forth one ballot measure. She felt that two measures dilute the efforts of being successful.

Chair Gage asked Charles Heath to respond to Ms. Rogers why the Board is proposing two measures instead of one.

Charles Heath explained that the continuation of the \$33.66 tax equals approximately \$5.4 million a year. After considering various increases it just made sense not to put the \$5.4 million at risk in order to receive an additional increase. A solution to safeguard the current tax was to develop a separate measure for the additional tax increase. A recent polling survey indicated that 81% of likely voters support maintaining the current tax which is Measure A. Measure B allows voters the opportunity to restore services that have been recently cut with an additional \$12 tax.

- c. Linda Curtis, Library Clerk, commented that she had received positive feedback from staff on the ballot measures wording and requested for further clarification that a statement about "all funds stay local" be reflected in the ballot measures summary.
- d. Marcia Manzo, Recently retired Saratoga Library Commissioner and President of the Friends of the Saratoga Libraries, commented that everyone pays regardless if you're a property owner or not. She commented that the Measure A ballot language needs to reflect the wording "to continue paying for an expiring tax". This will help the volunteers to convince others to support the measures. Ms. Manzo further commented that it was pure brilliance splitting the measure into two.
- e. Bert Berson, Morgan Hill Library Commissioner and Co-Chair of the Morgan Hill Campaign Committee recommended that the ballot language, "Measure A if approved by the voters" be bolded to make a distinction between Measure A and Measure B.

Charles Heath along with the Board members and input from the community revised the ballot measures summary language live. After discussion about revisions Chair Gage called for a vote:

Motion to adopt Resolution Calling Special Election in the Community Facilities District No. 2005-1 on May 3, 2005, including ballot measures language allowing for minor changes was moved by (Tate) and seconded by (Giordano). The motion passed unanimously.

- 5. Authorize a member or members of the JPA Board to file written argument or rebuttal on behalf of the Library Community Facilities District No. 2005-1 Measures.

Motion to authorize Chair Don Gage's Office and his staff on their own time to work on the written ballot argument and/or rebuttal on behalf of the Library Community Facilities District No. 2005-1 Measures was moved by (Dillon) and seconded by (Kline). The motion passed unanimously.

- 6. Consider and accept the report on the five-year financial forecast for the County Library.

The Five Year Financial Forecast was reviewed and approved by the Finance Committee at their meeting on January 21, 2005.

Motion to accept the report on the five-year financial forecast for the County Library was moved by (Nesbet) and seconded by (Tate). The motion passes unanimously.

7. Consider appointments to the following Committees:
♦Finance Committee: Board members Norman Kline and Curtis Cole were appointed to the Finance Committee.

The Board members voted in favor of the Norman Kline and Curtis Cole being appointed to the Finance Committee.

♦Election Committee: Board member Jean Mordo was appointed to the Election Committee.

The Board members voted in favor of Jean Mordo being appointed to the Election Committee.

REPORTS/COMMENTS

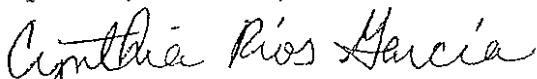
INFORMATION

8. County Librarian
The Silicon Valley Reads: One Book. One Community Kick-Off event is scheduled for February 1, 2005, 7:00 p.m. at the Montgomery Theater; *Epitaph for a Peach: Fours Seasons on My Family Farm* by David Mas Masumoto is the 2005 selection and the nine City Councils have agreed to adopt proclamations.
9. JPA Board Members
Board member Steve Tate reported that the City of Morgan Hill has selected TBI Construction, Inc., as the General Construction Manager for the new Library.
10. Committee Reports
► Election Committee. No further report
► RFID Analysis Committee. There was no meeting last month. There will be vendor presentations on February 10 and March 10, 2005.
11. Silicon Valley Library System Advisory Board – Kay Keeshen
No report.

ADJOURNMENT

With no further business Chair Gage adjourned the meeting at 3:30 p.m. to Thursday, March 3, 2005, 1:30 p.m. at the Library Administration Office.

Respectfully submitted,


Cynthia Rios Garcia, Secretary
Library Joint Powers Authority Board